

TO: Mail Stop 8 Director of the U.S. Patent and Trademark Office P.O. Box 1450 Alexandria, VA 22313-1450	REPORT ON THE FILING OR DETERMINATION OF AN ACTION REGARDING A PATENT OR TRADEMARK
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In Compliance with 35 U.S.C. § 290 and/or 15 U.S.C. § 1116 you are hereby advised that a court action has been filed in the U.S. District Court TEXAS WESTERN DISTRICT - SAN ANTONIO DIVISION on the following

☐ Trademarks or ☒ Patents. (☐ the patent action involves 35 U.S.C. § 292.);

DOCKET NO. SA:12-CA-695-FB	DATE FILED 7/17/2012	U.S. DISTRICT COURT TEXAS WESTERN DISTRICT - SAN ANTONIO DIVISION
PLAINTIFF e-WATCH, INC.		DEFENDANT ACTI CORPORATION, INC.
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK
1 See Attached		
2 6,970,183		
3 7,228,429		
4 7,733,371		
5 7,859,396		

In the above—entitled case, the following patent(s)/ trademark(s) have been included:

DATE INCLUDED	INCLUDED BY <input type="checkbox"/> Amendment <input type="checkbox"/> Answer <input type="checkbox"/> Cross Bill <input type="checkbox"/> Other Pleading		
PATENT OR TRADEMARK NO.	DATE OF PATENT OR TRADEMARK	HOLDER OF PATENT OR TRADEMARK	
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In the above—entitled case, the following decision has been rendered or judgement issued:

DECISION/JUDGEMENT

CLERK WILLIAM G. PUTNICKI	(BY) DEPUTY CLERK Kathy L. Hicks <i>Kathy L. Hicks</i>	DATE 7/20/2012
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Copy 1—Upon initiation of action, mail this copy to Director Copy 3—Upon termination of action, mail this copy to Director
 Copy 2—Upon filing document adding patent(s), mail this copy to Director Copy 4—Case file copy

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

e-WATCH, INC.
Plaintiff

v.

ACTi CORPORATION INC.
Defendant

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Civil Case No. 5:12-cv-695

Jury demanded

COMPLAINT

Comes Now **e-WATCH, INC.**, complaining of **ACTi CORPORATION INC.**, and for cause of action respectfully shows as follows:

PARTIES

1. Plaintiff **e-WATCH, INC.** is a Nevada Corporation with its principal office in San Antonio, Texas.
2. Defendant **ACTi CORPORATION INC.**, is a Delaware corporation with its principal office in Irvine, California. It may be served with process by serving its registered agent for service of process, Chia-Chen Lin at 10 Edleman, Suite 1B, Irvine, California 92618.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338(a), because Plaintiff's claims arise under federal laws relating to patents and unfair competition.
4. This Court has personal jurisdiction over the Defendant because it transacts

business within geographic boundaries of the Western District of Texas, and it has committed acts of patent infringement within the geographic boundaries of the Western District of Texas.

5. Venue is proper in the Western District of Texas pursuant to 28 U.S.C. §§ 1391(b), 1391(c) and 1400(b) because the Defendant is subject to personal jurisdiction in this judicial district, the Defendant regularly conducts business in the state of Texas and within this judicial district, and the Defendant has committed acts of infringement within this judicial district.

FACTS

6. e-Watch develops and markets hardware, software and services designed to centrally manage a multiplicity of safety, security and access control devices using IP protocol over a computer network, including modern professional security surveillance systems.

7. Video surveillance systems began with closed circuit television cameras feeding monitors that required constant viewing by security personnel. With the introduction of the videocassette, video surveillance systems became mainstream because the camera feed could be recorded, obviating the need for constant human monitoring. Multiple cameras were placed around the area to be observed and were each connected to a central monitoring station via dedicated wired connections such as coaxial cable. Although these systems could produce full motion video images, local monitoring was required because the distance between the camera and the monitoring station was severely limited. Additional improvements were made allowing cameras to transmit signals via the public-switched telephone network to allow for remote monitoring, however because of bandwidth limitations the video image in terms of both frame rate and resolution was severely degraded. In all cases, however, these systems produced relatively low quality video images that had to be transmitted to a centralized monitoring facility.

8. e-Watch has developed and marketed a digital camera system, which, among other things, has the capability of creating high resolution still and streaming video signals from a multiplicity of image transducers, compressing the digital image signal, and sending a multiplicity of image signals over a digital network. The advantage of e-Watch's technology is, among other things, that it allows live monitoring and digital recording of high resolution, full frame rate, color images, either on site, offsite, or in distributed locations.

9. e-Watch is the owner of the following United States Patents:

<u>Patent No.</u>	<u>Title</u>	<u>Issue Date</u>
6,970,183 (the '183 patent)	Multimedia Surveillance and Monitoring System Including Network Configuration	Nov 29, 2005
7,228,429 (the '429 patent)	Multimedia Network Appliances for Security and Surveillance Applications	Jun 5, 2007
7,733,371 (the '371 patent)	Digital Security Multimedia Sensor	Jun 8, 2010
7,859,396 (the '396 patent)	Multimedia Network Appliances for Security and Surveillance Applications	Dec 28, 2010

The digital camera surveillance systems marketed by e-Watch incorporate claims included these patents.

10. On information and belief the Defendant, ACTi, makes, uses and sells, or attempts to make, use or sell, or otherwise provides throughout the United States and within the geographical area covered by the United States District Court for the Western District of Texas products and services which utilize the systems and methods described by claims in the '429, '183, '371 and '396 Patents.

CLAIM FOR INFRINGEMENT OF THE '183 PATENT

11. Plaintiff incorporates the foregoing paragraphs by reference as if fully set forth below.

12. The '183 Patent describes technology for a multimedia surveillance and monitoring system which can transmit sensor data using digital transmission over both wired and wireless computer networks.

13. The '183, Patent is valid and enforceable.

14. The Defendant has and continues to infringe, contributorily infringe or actively induce the infringement of the '183 Patent by using, selling and offering for use or sale products and services within this judicial district which incorporate e-Watch's patented technology. The Defendant is offering for sale or use, or selling or using these products without license or authority from e-Watch. The claims of the patent are either literally infringed or infringed under the doctrine of equivalents. These infringing acts of the Defendant are committed in violation of 35 U.S.C. § 271.

15. Upon information and belief, Plaintiff alleges that the acts of infringement by the Defendant are willful, making this an exceptional case under 35 U.S.C. § 285.

16. Upon information and belief, Plaintiff further alleges that the actions of the Defendant have resulted in substantial lost profits to the Plaintiff, and substantial unjust profits and enrichment to the Defendant, all in amounts yet to be determined. Plaintiff at all times has been and is now willing to grant licenses to qualified parties, including the Defendant, for the use of its patented technology, at a reasonable royalty rate. Defendant's acts of infringement have caused irreparable harm to the Plaintiff and will continue to do so unless enjoined by the Court.

CLAIM FOR INFRINGEMENT OF THE '429 PATENT

17. Plaintiff incorporates the foregoing paragraphs by reference as if fully set forth below.

18. The '429 Patent describes network appliances designed to integrate a combination of monitoring devices and building support functions into a single device that can communicate over a single network connection.

19. The '429 Patent is valid and enforceable.

20. The Defendant has and continues to infringe, contributorily infringe or actively induce the infringement of the '429 Patent by using, selling and offering for use or sale products and services within this judicial district which incorporate e-Watch's patented technology. The Defendant is offering for sale or use, or selling or using these products without license or authority from e-Watch. The claims of the patent are either literally infringed or infringed under the doctrine of equivalents. These infringing acts of the Defendant are committed in violation of 35 U.S.C. § 271.

21. Upon information and belief, Plaintiff alleges that the acts of infringement by the Defendant are willful, making this an exceptional case under 35 U.S.C. § 285.

22. Upon information and belief, Plaintiff further alleges that the actions of the Defendant have resulted in substantial lost profits to the Plaintiff, and substantial unjust profits and enrichment to the Defendant, all in amounts yet to be determined. Plaintiff at all times has been and is now willing to grant licenses to qualified parties, including the Defendant, for the use of its patented technology, at a reasonable royalty rate. Defendant's acts of infringement have caused irreparable harm to the Plaintiff and will continue to do so unless enjoined by the Court.

CLAIM FOR INFRINGEMENT OF THE '371 PATENT

23. Plaintiff incorporates the foregoing paragraphs by reference as if fully set forth below.

24. The '371 Patent describes network appliances designed to integrate a combination of monitoring devices and building support functions into a single device that can communicate over a single network connection.

25. The '371 Patent is valid and enforceable.

26. The Defendant has and continues to infringe, contributorily infringe or actively induce the infringement of the '371 Patent by using, selling and offering for use or sale products and services within this judicial district which incorporate e-Watch's patented technology. The Defendant is offering for sale or use, or selling or using these products without license or authority from e-Watch. The claims of the patent are either literally infringed or infringed under the doctrine of equivalents. These infringing acts of the Defendant are committed in violation of 35 U.S.C. § 271.

27. Upon information and belief, Plaintiff alleges that the acts of infringement by the Defendant are willful, making this an exceptional case under 35 U.S.C. § 285.

28. Upon information and belief, Plaintiff further alleges that the actions of the Defendant have resulted in substantial lost profits to the Plaintiff, and substantial unjust profits and enrichment to the Defendant, all in amounts yet to be determined. Plaintiff at all times has been and is now willing to grant licenses to qualified parties, including the Defendant, for the use of its patented technology, at a reasonable royalty rate. Defendant's acts of infringement have caused irreparable harm to the Plaintiff and will continue to do so unless enjoined by the Court.